

Congress of the United States
Washington, DC 20515

January 26, 2024

The Honorable Thomas J. Vilsack
Secretary United States Department of Agriculture
1400 Independence Avenue SW
Washington, D.C. 20250

Dear Secretary Vilsack,

As our nation continues efforts to recover from supply chain disruptions, we are concerned about the widely reported half pint milk carton supply shortfalls from Pactiv Evergreen Inc., formerly known as Evergreen Packaging LLC (“Evergreen”) before it was acquired by private equity. We request your agency’s prompt attention to this matter and a detailed response describing the actions the U.S. Department of Food and Agriculture (USDA) is taking to address this issue.

California is the top milk producing state, accounting for one-fifth of the United States’ total production. Much of California’s industry is headquartered in the San Joaquin Valley, a region we proudly represent in the United States Congress.

Program operators of the National School Lunch Program (NSLP) are required to use meal patterns and dietary specifications established by the USDA to develop menus and serve meals to students. In the NSLP, fluid milk is one of the five required components that program operators must offer students at lunch.

While the USDA's Food and Nutrition Service (FNS) acknowledges that schools in multiple states are experiencing milk supply chain challenges related to packaging issues, we understand state agencies may allow program operators experiencing milk supply shortages to serve meals during an emergency period with an alternate form of fluid milk or without fluid milk. Although program operators are expected to meet the fluid milk requirements to the greatest extent possible, supply chain disruptions, including disruptions that limit milk variety or affect serving size, are considered a temporary emergency condition for purposes of this flexibility.

Milk is served to millions of children across the country each school day. Unfortunately, recent reports indicate this nationwide shortage of half-pint milk cartons is hitting schools in several states. School districts in New York, Pennsylvania, California, Washington, and other states said they are bracing for the supply shortages, which are now expected to last into 2024. The shortage is impacting not only schools and community programs providing children’s meals, but also hospitals, governmental institutions, and food service customers. Without transparency, concerns arise around the projected longevity of the issue and whether this issue will recur.

Potential fines, breaches of contract, and milk substitutions are just a few of the looming effects our dairy manufacturers and farmers are preparing for due to this temporary emergency. Beyond the economic impact are the health impacts on our nation's children as they miss out on one of NSLP's five required components to a nutritious diet.

Evergreen has told our producers that supply shortfalls are best mitigated by providing generic, unbranded cartons to all of Evergreen's customers to maximize production line uptime. Should this be the eventual course of action, we hope and expect that all similarly affected customers of Evergreen are treated fairly and with equal consideration during these challenging times.

As dairy manufacturers and farmers across the country continue navigating challenges caused by the milk carton shortage, it is vital that supply chain issues be addressed in an effective and timely manner. In the interest of both our regional dairy industry and with consideration of the far-reaching impact of this issue, we respectfully request your attention to this matter and that a solution be reached quickly.

Sincerely,



David G. Valadao
Member of Congress



Jim Costa
Member of Congress



John Duarte
Member of Congress



Josh Harder
Member of Congress